



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

C-570-991

Chlorinated Isocyanurates from the People's Republic of China: Final Results of Countervailing Duty Administrative Review, and Partial Rescission of Countervailing Duty Administrative Review; 2014

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Department) has completed its administrative review of the countervailing duty (CVD) order on chlorinated isocyanurates (chloro isos) from the People's Republic of China (PRC) for the February 4, 2014, through December 31, 2014, period of review (POR). We have determined that mandatory respondents Heze Huayi Chemical Co., Ltd. (Heze) and Hebei Jiheng Chemical Co., Ltd. (Jiheng), and their cross-owned affiliates, where applicable, received countervailable subsidies during the POR. The final net subsidy rates are listed below in "Final Results of Administrative Review." We are also rescinding the review for Juancheng Kangtai Chemical Co., Ltd. (Kangtai) that timely certified it made no shipments of subject merchandise during the POR.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Omar Qureshi or Justin Neuman, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone 202.482.5307 or 202.482.0486, respectively.

## SUPPLEMENTARY INFORMATION:

### *Background*

On November 13, 2014, the Department published the CVD *Order* on chloro isos from the PRC.<sup>1</sup> The Department published the *Preliminary Results* of this administrative review in the *Federal Register* on December 13, 2016.<sup>2</sup> We invited interested parties to comment on the *Preliminary Results*. On May 19, 2017, we received case briefs from the petitioners and the Government of China (GOC).<sup>3</sup> On May 24, 2017 we received rebuttal comments from the petitioners, Jiheng, and Heze.<sup>4</sup> On May 31, 2017, the Department issued the results of its post-preliminary decision on the China Export Import Bank's Export Buyer's Credit Program, and invited comments on the Department's decision. On June 2, 2017, Heze provided comments on the post-preliminary decision.<sup>5</sup> On June 5, 2017, we received rebuttal comments on the post-preliminary decision from the petitioners and the GOC.<sup>6</sup>

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<sup>1</sup> See *Chlorinated Isocyanurates from the People's Republic of China: Countervailing Duty Order*, 79 FR 67424 (November 13, 2014).

<sup>2</sup> See *Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Preliminary Intent to Rescind Review, in Part; 2014*, 81 FR 89896 (December 13, 2016) and accompanying Issues and Decision Memorandum (*Preliminary Results*).

<sup>3</sup> See Case Brief Submitted to the Record from the Petitioners (May 19, 2017) (the Petitioners' Case Brief); Letter to the Secretary of Commerce from the GOC, "GOC Administrative Case Brief: First Administrative Review of the Countervailing Duty Order on Chlorinate Isocyanurates from the People's Republic of China (C-570-991)" (May 19, 2017) (GOC's Case Brief).

<sup>4</sup> See Rebuttal Case Brief Submitted to the Record from the Petitioners (May 24, 2017); Letter to the Secretary of Commerce from the GOC, "GOC Administrative Rebuttal Brief: First Administrative Review of the Countervailing Duty Order on Chlorinated Isocyanurates from the People's Republic of China (C-570-991) (May 19, 2017) (GOC's Case Brief); Letter to the Secretary of Commerce from Heze, "Certain Chlorinated Isocyanurates from China Rebuttal Brief" (May 24, 2017) (Heze's Rebuttal Brief); Letter to the Secretary of Commerce from Jiheng, "Certain Chlorinated Isocyanurates from China Rebuttal Brief of Hebei Jiheng Chemical Co., Ltd." (May 24, 2017) (Jiheng's Rebuttal Brief).

<sup>5</sup> See Letter to the Secretary of Commerce from Heze, "Certain Chlorinated Isocyanurates from China Comments on Post-Preliminary Results" (June 2, 2017) (Heze's Post-Prelim Comments).

<sup>6</sup> See Letter to the Secretary of Commerce from the Petitioners, "Chlorinated Isocyanurates from the People's Republic of China: Post-Preliminary Determination Rebuttal Comments" (June 5, 2017) (the Petitioners' Post-Prelim Rebuttal Comments); Letter to the Secretary of Commerce from the GOC, "GOC Comments in Response to Post-Prelim Comments: First Administrative Review of the Countervailing Duty Order on Chlorinated Isocyanurates from the People's Republic of China (C-570-991)" (June 5, 2017) (GOC's Post-Prelim Rebuttal Comments).

### *Scope of the Order*

The products covered by the order are chloro isos, which are derivatives of cyanuric acid, described as chlorinated s-triazine triones.<sup>7</sup> Chloro isos are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.50.4000, 3808.94.5000, and 3808.99.9500 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes; the written product description of the scope of the order is dispositive.

### *Analysis of Comments Received*

All issues raised in the parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice at Appendix I. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, Room B8024 of the main Department building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

### *Changes Since the Preliminary Results*

Based on case briefs, rebuttal briefs, and all supporting documentation, we made changes from the *Preliminary Results*. For Heze, the Department has corrected the average useful life range from 9 to 10 years. The Department also found the Export Buyer's Credit Program to be

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<sup>7</sup> For a complete description of the Scope of the Order, *see Preliminary Results*.

countervailable and applied an adverse inference in a post-preliminary decision memorandum.<sup>8</sup> However, the Department has adjusted the adverse inference rate in these final results.

### *Methodology*

The Department conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>9</sup> The Issues and Decision Memorandum contains a full description of the methodology underlying the Department's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

### *Partial Rescission of Administrative Review*

As noted in the *Preliminary Results*, the Department timely received a no-shipment response from Kangtai. The Department stated its intention to rescind the review with respect to this company. The Department inquired with U.S. Customs and Border Protection (CBP) whether Kangtai had shipped merchandise to the United States during the POR, and CBP provided no evidence to contradict the claims of no shipments made by this company. Accordingly, the Department is rescinding the administrative review on Kangtai, pursuant to 19 CFR 351.213(d)(3).

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<sup>8</sup> See Memorandum from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Ronald Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, "Countervailing Duty Administrative Review of Chlorinated Isocyanurates from the People's Republic of China: Post-Preliminary Results Decision Memorandum" (May 31, 2017).

<sup>9</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

### *Final Results of Review*

In accordance with 19 CFR 351.221(b)(4)(i), we determine the following net subsidy rates for the 2014 administrative review:

<b>Company</b>	<b>Net Subsidy Rates (percent <i>ad valorem</i>)</b>
Hebei Jiheng Chemical Co., Ltd.	21.76
Heze Huayi Chemical Co., Ltd.	1.91

### *Assessment Rates*

The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review, to liquidate shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after February 4, 2014, through December 31, 2014, at the *ad valorem* rates listed above.

### *Cash Deposit Instructions*

In accordance with section 751(a)(1) of the Act, the Department intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above. These cash deposit requirements, when imposed, shall remain in effect until further notice.

### *Administrative Protective Orders*

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: June 9, 2017

## **Appendix**

### **List of Topics Discussed in the Final Decision Memorandum**

- I. Summary
  - II. Background
  - III. List of Interested Party Comments
  - IV. Scope of the Order
  - V. Changes Since the Preliminary Results and Post-Preliminary Results
  - VI. Partial Rescission of Administrative Review
  - VII. Subsidies Valuation Information
  - VIII. Benchmarks
  - IX. Use of Facts Otherwise Available and Adverse Inferences
  - X. Programs Determined to Be Countervailable
  - XI. Programs Determined Not to Confer Measurable Benefits
  - XII. Programs Determined Not to Be Used During the POR
  - XIII. Analysis of Comments
  - XIV. Conclusion
- [FR Doc. 2017-12449 Filed: 6/14/2017 8:45 am; Publication Date: 6/15/2017]